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April 24, 2019

Dear Karen,

The Ontario NDP shares the concerns of Canadians for Properly Built Homes about the lack of protection for Ontario consumers buying a new home, the biggest purchase most people will make in their lives.

The NDP has long called for reforms to the Tarion Warranty Corporation, the secretive, industry-controlled private corporation in charge of ensuring the quality of new home construction. As my predecessor in this critic role, MPP Wayne Gates, wrote last year: “For too long, Tarion has been focused more on protecting industry interests, and not consumer interests or the public interest.” I couldn’t agree more.

But I also understand that the problems extend beyond Tarion, and include deficiencies in the home building inspections system, as well as unfair barriers at the Licence Appeal Tribunal, where new home buyers must go when Tarion refuses to help them.

I had hoped that the new Progressive Conservative government understood these problems as well. For years, when the PCs were in opposition, MPPs would join the NDP is calling for reforms of Tarion and the new homes warranty system.

However, now in government, these voices have gone silent. The minor changes to the *Ontario New Homes Warranties Plan Act* announced with the 2019 budget fall far short of what is needed. It is becoming clear that the PC government has little interest in doing what is necessary to protect new home buyers.

Last year, Mr. Gates wrote to you to explain the NDP’s goals for consumer protection and regulatory reform of new home construction. These remain the NDP’s goals.

These goals include:

- Taking back responsibility for regulating new home construction and sales from the industry-controlled Tarion, and establishing a new, separate regulator accountable to the public
- Ending Tarion’s private, industry-controlled monopoly over new home warranties in Ontario
- Directing Ontario’s Auditor-General to immediately conduct a full public audit of Tarion and the new home warranty system to help inform the development of a new service model. (Last year, the NDP



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successfully passed a motion at the Legislature's Public Accounts Committee calling for such an audit, and I understand that it is underway.)

- Creating a Code of Ethics for home builders/vendors and the new home warranty system
- Ensuring that consumers receive useful, up-to-date and accurate information about builder and vendor performance
- Establishing an accessible, quick and inexpensive dispute resolution system for consumers seeking remedies for new home defects
- Increasing deposit insurance for pre-construction home purchases
- Reviewing unfair occupancy fees and practices that force new home buyers to move in before a home is habitable
- Reviewing the building inspections system, and strengthening coordination between municipal building inspectors, the regulator and the new home warranty system
- Reviewing HVAC standards to ensure that people don't freeze in their new homes
- Reviewing processes at the Licence Appeal Tribunal, to ensure that consumers seeking fairness aren't outgunned by deep-pocketed industry interests
- Reviewing pre-construction condo purchase agreements to ensure that buyers get what they were promised and paid for

Ontarians need a new home warranty system and regulator that answer to home buyers and the public, not to private interests. The NDP will continue to press the government to enact these changes so that Ontario's new home buyers finally get the protection they need and deserve.

Sincerely,

Tom Rakocevic
NDP Critic for Government and Consumer Services